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BEFORE THE ARIZONA CORPORATION COMMISSION
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COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE

2007 APR 27 P 3: 32

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY,
AN ARIZONA CORPORATION, FOR A
DETERMINATION OF THE CURRENT FAIR
VALUE OF ITS UTILITY PLANT AND
PROPERTY AND FOR INCREASES IN ITS
RATES AND CHARGES BASED THEREON
FOR UTILITY SERVICE BY ITS PARADISE
VALLEY DISTRICT

DOCKET NO. W-01303A-05-0405

IN THE MATTER OF THE APPLICATION OF
ARIZONA-AMERICAN WATER COMPANY
FOR APPROVAL OF AN AGREEMENT
WITH THE PARADISE VALLEY COUNTRY
CLUB.

DOCKET NO. W-01303A-05-0910

NOTICE OF FILING

AFFIDAVIT OF CUSTOMER
NOTICE

1
2 Arizona-American Water Company hereby files in the above-referenced matter an
3 affidavit that customers were mailed the notice required in the March 22, 2007, Procedural
4 Order.

5 RESPECTFULLY SUBMITTED on April 27, 2007.

Paul M. Li
Associate Counsel
Arizona-American Water Company
19820 N. 7th Street
Suite 201
Phoenix, Arizona 85024
(623) 445-2442
Paul.Li@amwater.com

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11 Arizona Corporation Commission
12 DOCKETED
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APR 27 2007

DOCKETED BY	nr
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1 Original and 13 copies **filed**
2 on April 27, 2007, with:

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4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007

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9 Copies of the foregoing **mailed**
10 on April 27, 2007, to:

11
12 Hearing Division
13 Arizona Corporation Commission
14 1200 West Washington St.
15 Phoenix, Arizona 85007

16
17 Maureen Scott
18 Senior Staff Counsel
19 Legal Division
20 Arizona Corporation Commission
21 1200 West Washington St.
22 Phoenix, Arizona 85007

23
24 Daniel Pozefsky
25 Counsel
26 Residential Utility Consumer Office
27 1110 West Washington Street
28 Suite 220
29 Phoenix, Arizona 85007

30
31 Robert J. Metli
32 Snell & Wilmer LLP
33 One Arizona Center
34 400 E. Van Buren
35 Phoenix, Arizona 85004
36 Attorneys for Paradise Valley Country Club

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40 By:


41 Courtney Appelhaus
42

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

MIKE GLEASON, Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
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**AFFIDAVIT OF CUSTOMER
NOTICE**

Affidavit of Debra D. Vernon

1. I am employed by American Water Services Company as the Manager,
Communications and Corporate Responsibility, for the Western Region of American Water
Works Company, Inc.

2. I caused a copy of the attached notice to be included along with each April 2007
bill mailed to customers in Arizona-American Water Company's Paradise Valley District.


Debra D. Vernon

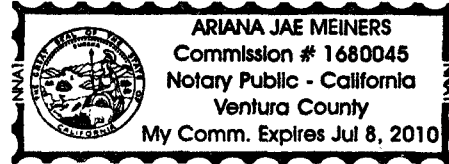
1 STATE OF California)
2) ss.
3 County of Ventura)

4 Subscribed and sworn before me on April 26, 2007.

5
6 Name: Ariana Jae Meiners

Ariana Jae Meiners

7
8 Title: Notary Public



9
10 My Commission expires: July 8, 2010

**NOTICE OF A WATER RATE INCREASE TO PARADISE VALLEY WATER
CUSTOMERS OF ARIZONA AMERICAN WATER COMPANY (AAWC):**

ON JULY 28, 2006, IN DECISION #68858 (DOCKET NOS. W-01303A-05-0405 & W-01303A-05-0910), THE ARIZONA CORPORATION COMMISSION (ACC) AUTHORIZED AN ARSENIC COST RECOVERY MECHANISM FOR THE PARADISE VALLEY WATER DISTRICT OF AAWC. RESIDENTS OF PARADISE VALLEY WERE ADVISED BY NOTICE AS PART OF THE ABOVE-REFERENCED DOCKETS THAT AAWC HAD REQUESTED AN ARSENIC COST RECOVERY MECHANISM FOR INVESTMENTS REQUIRED BY THE COMPANY TO COMPLY WITH FEDERAL WATER ARSENIC REDUCTION REQUIREMENTS.


ON DECEMBER 19, 2006, AAWC FILED AN APPLICATION WITH THE ACC REQUESTING AUTHORIZATION FOR IMPLEMENTATION OF STEP ONE OF AN ARSENIC COST RECOVERY SURCHARGE REFLECTING THE COST OF REQUIRED WATER TREATMENT FACILITIES TO MEET NEW FEDERAL STANDARDS. IN DECISION NO. 69396 ISSUED MARCH 22, 2007, THE ACC AUTHORIZED THIS SURCHARGE TO BECOME EFFECTIVE WITH YOUR APRIL 2007 BILLING. IT IS ESTIMATED THAT THIS SURCHARGE WILL INCREASE THE AVERAGE RESIDENTIAL CUSTOMER BILL BY \$34.91 A MONTH (BASED ON AVERAGE USAGE IN PARADISE VALLEY OF 44,270 GALLONS PER MONTH).

THIS INCREASE WILL BE REFLECTED ON YOUR WATER BILL AS A NEW BASE SURCHARGE OF AT LEAST \$14.84 PER METER DEPENDING ON THE SIZE OF YOUR WATER METER AND A NEW WATER VOLUME FEE OF \$0.4534 FOR EVERY 1,000 GALLONS.

THE COMPANY ANTICIPATES THE ARSENIC COST RECOVERY SURCHARGE WILL END AT THE CONCLUSION OF THE NEXT RATE CASE. THE NEXT RATE CASE WILL AGAIN EXAMINE THE REASONABLENESS OF COSTS FOR NEW WATER TREATMENT FACILITIES IN DETERMINING NEW PERMANENT WATER RATES. THE COMPANY IS REQUIRED TO FILE A NEW RATE CASE BY SEPTEMBER 30, 2008.

**NOTICE OF A WATER RATE INCREASE TO PARADISE VALLEY WATER
CUSTOMERS OF ARIZONA AMERICAN WATER COMPANY (AAWC)**

FIRST-CLASS MAIL
U.S. POSTAGE
PAID
Malvern, PA 19355
Permit No. 64

 Arizona
American Water®
P.O. Box 158
Scottsdale, AZ 85252

United States Postal Service

Postage Statement — First-Class Mail and Priority Mail

Post Office: Note Mail Arrival Date & Time

Use this form for either First-Class Mail or Priority Mail. They may not be combined.

Mailing	Permit Holder's Name and Address and Email Address, If Any Oak Tree Marketing 34 Pennsylvania Ave Malvern PA 19355		Telephone 610 884-0930		Name and Address of Mailing Agent (If other than permit holder) 		Telephone 		Name and Address of Individual or Organization for Which Mailing is Prepared (If other than permit holder) Arizona American Water P.O. Box 158 Scottsdale AZ 85252			
	CAPS Cust. Ref. No. Dun & Bradstreet No.		Dun & Bradstreet No.		Dun & Bradstreet No.		Dun & Bradstreet No.		Dun & Bradstreet No.			
Mailing	Post Office of Mailing Malvern, PA		Processing Category <input checked="" type="checkbox"/> Letters <input type="checkbox"/> Flats <input type="checkbox"/> Automation Flats (DMM 301.3) <input type="checkbox"/> Parcels		Mailing Date 		Federal Agency Cost Code 		Statement Seq. No. 		No. & type of Containers 	
	Type of Postage <input checked="" type="checkbox"/> Permit Imprint <input type="checkbox"/> Precanceled Stamps <input type="checkbox"/> Metered		Weight of a Single Piece 0.078 pounds		Total Pieces 4357		Total Weight 33.9846		No. & type of Containers 3-2# 6-1#			
Postage	Permit # 64		For Mail Enclosed Within Another Class <input type="checkbox"/> Standard Mail <input type="checkbox"/> Bound Printed Matter <input type="checkbox"/> Library Mail <input type="checkbox"/> Media Mail <input type="checkbox"/> Parcel Post		For Automation Rate Pieces, Enter Date of Address Matching and Coding (DMM 708.3.3) 04.12.2007		For Automation Carrier Route Rate Pieces, Enter Date of Address Matching and Coding (DMM 708.3.3) 		Total Weight 		Total Weight 	
	Parts Completed (Select all that apply) <input checked="" type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> D <input type="checkbox"/> E <input type="checkbox"/> F <input type="checkbox"/> S		Total Postage (Add parts totals) 1308.60		Rate at Which Postage Affixed (Check one) (DMM 234.1.1) <input type="checkbox"/> Correct <input type="checkbox"/> Lowest <input type="checkbox"/> Neither		pcs. x \$ = Postage Affixed		Net Postage Due (Subtract postage affixed from total postage) 1308.60		Total Adjusted Postage Affixed	
Certification	The mailer's signature certifies acceptance of liability for and agreement to pay any revenue deficiencies assessed on this mailing, subject to appeal. If an agent signs this form, the agent certifies that he or she is authorized to sign on behalf of the mailer and that the mailer is bound by the certification and agrees to pay any deficiencies. In addition, agents may be liable for any deficiencies resulting from matters within their responsibility, knowledge, or control. The mailer hereby certifies that all information furnished on this form is accurate, truthful, and complete; that the mail and the supporting documentation comply with all postal standards and the mailing qualifies for the rates and fees claimed; and that the mailing does not contain any matter prohibited by law or postal regulation. I understand that anyone who furnishes false or misleading information on this form or who omits information requested on this form may be subject to criminal and/or civil penalties, including fines and imprisonment.											
	Privacy Notice: For information regarding our Privacy Policy visit www.usps.com .											
USPS Use Only	Signature of Mailer or Agent Sven Sifer		Printed Name of Mailer or Agent Signing Form Sven Sifer		Telephone 610 884-0930		Weight of a Single Piece _____ pound		Are postage figures at left adjusted from mailer's entries? If yes, reason: <input type="checkbox"/> Yes <input type="checkbox"/> No		Round Stamp (Required) 	
	Total Pieces _____		Total Weight _____		Total Postage _____		Check One <input type="checkbox"/> Presort Verification Not Scheduled <input type="checkbox"/> Presort Verification Performed as Scheduled		Date Mailed Noted _____		Verifying Employee's Signature _____	